AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

NPDES PERMIT NO. GU0020079

In compliance with the provisions of the Clean Water Act, as amended, (33 U.S.C. 1251 et seq., the "CWA"),

South Pacific Petroleum Corporation
816 North Marine Corps Drive, Eva Building
Tamuning, Guam 96913

is authorized to discharge treated tank bottom wastewater and storm water runoff from its facility located at 1118 Cabras Highway in Piti, Guam, to M-3 or "fair" category marine waters of Apra Harbor at:

Discharge Outfall No.	**Latitude**	**Longitude**	**Outfall Description**
001	13 27 '42" N	144 39'49" E	Drainage from bulk storage area and Pipeline Receipt and Transfer Manifold Area
002	13 27'42" N	144 39'48" E	Drainage from Tank Truck Loading Area

in accordance with effluent limitations, monitoring requirements and other conditions set forth herein, and in the attached EPA Region IX *Standard Federal NPDES Permit Conditions*, dated July 1, 2001.

This permit shall become effective on __September 13th_____, 2006.

This permit and the authorization to discharge shall expire at midnight, _September 12th_, 2011.

Signed this ___11th_____ day of ____August_____, 2006.

For the Regional Administrator,

//signed//

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Alexis Strauss, Director
Water Division

PART I - EFFLUENT LIMITATIONS AND REQUIREMENTS

A. South Pacific Petroleum Corporation (hereinafter, the "permittee") is authorized to discharge tank bottom wastewater (non-storm water) and storm water runoff from its facility from Discharge Outfall Nos. 001 and 002 to Apra Harbor. Effluent limitations and requirements for Discharge Outfall Nos. 001 and 002 are based on their estimated maximum flow rate of 0.0149 and 0.0063 million gallons per day ("MGD"), respectively. Such discharge shall be limited, monitored, and reported by the permittee as specified in Table 1.

B. The discharge shall be free from substances, conditions, or combinations thereof that:

1. cause visible floating materials, debris, oils, grease, scum, foam, or other floating matter which degrades water quality or use;

2. produce visible turbidity, settle to form deposits or otherwise adversely affect aquatic life;

3. produce objectionable color, odor or taste, directly or by a chemical or biological action;

Table 1 - Effluent limitations, monitoring frequency, and sample type for each pollutant or parameter discharged through Outfall Nos. 001 and 002.

Pollutant/Parameter	Daily Max. Allowable Effluent Limitation	Monitoring Requirements	
		Monitoring Frequency	Sample Type
Flow Rate (MGD)[1]	NA[2]	Continuous	Metered
pH (Std. Units)[3]	6.5/8.5	Once/Month[4]	Grab[5]
Oil and Grease (mg/l)	15	Once/Month	Grab
Lead (mg/l)[6]	0.0081	Once/Month	Grab
Benzene (mg/l)	0.071	Once/Month	Grab
Toluene (mg/l)	NA	Once/Month	Grab
Ethylbenzene (mg/l)	NA	Once/Month	Grab
Xylene (mg/l)	NA	Once/Month	Grab

[1]MGD means a million gallons per day.
[2]NA means not applicable since no effluent limit has been established for the pollutant or parameter; only monitoring required.
[3]pH effluent limits reported as minimum/maximum concentrations; pH shall be measured at the time of sampling.
[4]If there is no discharge from an outfall during any one month period, report "C" in the "No Discharge" box on the Discharge Monitoring Report form for that month.

[5]A "grab" sample is a single sample collected at a particular time and place that represents the composition of the discharge only at that time and place.
[6]Report as total recoverable metal.

4. injure or are toxic or harmful to humans, animals, plants or aquatic life; or induce the growth of undesirable aquatic life.

C. The discharge shall not cause the turbidity values in the receiving water to exceed 1.0 Nepthleometric Turbidity Units over ambient conditions.

D. The discharge shall not cause the temperature of the receiving water to be changed by more than 1.8°F (1.0°C) from ambient conditions.

E. The discharge shall not contain concentrations of oil or petroleum products that:

1. cause a visible film, or sheen, or results in visible discoloration of the surface with a corresponding oil or petroleum product odor;

2. cause damage to fish, invertebrates, or objectionable degradation of drinking water quality; or

3. form an oil deposit on the shores or bottom of the receiving body of water.

F. The discharge shall be free of toxic substances in concentrations that produce detrimental physiological, acute or chronic responses in human, plant, animal or aquatic life.

G. The discharge shall be free of toxic substances in concentrations that produce contamination in harvestable aquatic life to the extent that it causes detrimental physiological, acute or chronic responses in humans or protected wildlife, when consumed.

H. The survival of aquatic life in marine waters subjected to the discharge, or other controllable water quality factors, shall not be less than that for the same water body in areas unaffected by the waste discharge.

I. The discharge, alone or in combination with other sources, shall not cause a violation of any applicable water quality standard.

J. The discharge of pollutants at any point other than specifically described in this permit is prohibited, and constitutes a violation thereof.

PART II - MONITORING AND REPORTING REQUIREMENTS

A. Samples and measurements shall be representative of the volume and nature of the discharge. All samples shall be taken at the point immediately following the final treatment process and before mixing with the receiving water.

B. Photo documentation of the discharged effluent is required once per quarter. Photos shall be taken of the effluent as it enters Apra Harbor and must be of suitable quality to adequately assess visible sheening, discoloration, and turbidity of the receiving water, as a result of the discharge. Each photo must be labeled with the outfall number, date and time and be attached to the respective monthly Discharge Monitoring Report ("DMR") form (EPA Form 3320-1).

C. Monitoring must be conducted in accordance with EPA test procedures approved under Title 40, U.S. Code of Federal Regulations ("CFR"), Part 136, *Guidelines Establishing Test Procedures for the Analysis of Pollutants Under the Clean Water Act*, as amended. For effluent analyses, the permittee shall utilize a Method Detection Limit ("MDL") or Minimum Level ("ML") that is lower than the effluent limitations described in Table 1 of this permit. If all published MDLs or MLs are higher than the effluent limitations, the permittee shall utilize the test method procedure with the lowest MDL or ML. The permittee shall ensure that the laboratory utilizes a standard calibration where the lowest standard point is equal to or less than the ML. Effluent analysis for lead shall measure "total recoverable lead," except as provided under 40 CFR 122.45(c).

D. The permittee shall develop a Quality Assurance ("QA") Manual for the field collection and laboratory analysis of samples. The purpose of the QA Manual is to assist in planning for the collection and analysis of samples and explaining data anomalies if they occur. At a minimum, the QA Manual shall include the following:

1. Identification of project management and a description of the roles and responsibilities of the participants; purpose of sample collection; matrix to be sampled; the analytes or compounds being measured; applicable technical, regulatory, or program-specific action criteria; personnel qualification requirements for collecting samples;

2. Description of sample collection procedures; equipment used; the type and number of samples to be collected including QA/Quality Control ("QC") samples; preservatives and holding times for the samples (see 40 CFR 136.3); and chain of custody procedures;

3. Identification of the laboratory used to analyze the samples; provisions for any proficiency demonstration that will be required by the laboratory before or after contract award such as passing a performance evaluation sample; analytical method to be used; MDL and ML to be reported; required QC results to be reported (e.g., matrix spike recoveries, duplicate relative percent differences, blank contamination, laboratory control sample recoveries, surrogate spike recoveries, etc.) and acceptance criteria; and corrective actions to be taken in response to problems identified during QC checks; and

4. Discussion of how the permittee will perform data review and reporting of results to EPA and Guam EPA and how the permittee will resolve data quality issues and identify limits on the use of data.

E. Throughout all field collection and laboratory analyses of samples, the permittee shall use the QA/QC procedures documented in their QA Manual. If samples are tested by a contract laboratory, the permittee shall ensure that the laboratory has a QA Manual on file. A copy of the permittee's QA Manual shall be retained on the permittee's premises and available for review by EPA or Guam EPA upon request. The permittee shall review its QA Manual annually and revise it, as appropriate.

F. For samples collected each month of the reporting period, report on the monthly DMR the following:

1. The maximum value, if the result is greater than or equal to the ML; or

2. NODI(Q), if result is greater than or equal to the laboratory's MDL but less than the ML; or

3. NODI(B), if result is less than the laboratory's MDL.

G. As an attachment to each DMR form submitted during this permit period, the permittee shall report for all pollutants or parameters with monitoring requirements specified in Table 1 of this permit: the analytical method number or title, preparation and analytical test procedure utilized by the laboratory, published MDL or ML, the laboratory's MDL, the standard deviation (S) from the laboratory's MDL study, and the number of replicate analyses (*n*) used to compute the laboratory's MDL.

H. In addition to information requirements specified under 40 CFR 122.41(j)(3), records of monitoring information shall include: the laboratory which performed the analyses and any comment, case narrative, or summary of results produced by the laboratory. The records should identify and discuss QA/QC analyses performed concurrently during sample analyses and whether project and 40 CFR 136 requirements were met. The summary of results must include information on initial and continuing calibration, surrogate analyses, blanks, duplicates, laboratory control samples, matrix spike and matrix spike duplicate results, and sample receipt condition, holding time, and preservation.

I. All monitoring results shall be submitted in such a format as to allow direct comparison with effluent limitations and requirements in this permit. Monitoring results must be reported on a monthly DMR form. Monthly DMR forms shall be submitted quarterly and on the 15th of the month following the previous quarterly reporting period. For example, the three DMR forms for the reporting period January through March shall be submitted by the 15th of April. Duplicate signed copies of these, and all other reports required herein, shall be submitted to the Regional Administrator of EPA and the Administrator of Guam EPA at the following addresses:

Regional Administrator
EPA - Region IX
Pacific Islands Office, CED-6

75 Hawthorne Street
San Francisco, California 94105

and

Administrator
Guam EPA
P.O. Box 22439-GMF
Barrigada, Guam 96921

PART III - TWENTY-FOUR HOUR REPORTING OF NONCOMPLIANCE

A. In accordance with 40 CFR 122.41(l)(6), the permittee shall report any noncompliance which may endanger human health or the environment. Any information shall be provided orally, within 24 hours from the time the permittee becomes aware of the circumstances, to EPA and Guam EPA. The permittee shall notify EPA and Guam EPA at the following telephone numbers:

Pacific Islands Office, CED-6
EPA - Region IX
(415) 972-3769

Administrator
Guam EPA
(671) 475-1635/1636

B. A written submission shall be provided within five days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause and the period of noncompliance, including exact dates and times. If noncompliance has not been corrected, the written submission shall contain the anticipated time the noncompliance is expected to continue, and the steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

PART IV - POLLUTION PREVENTION PLAN REQUIREMENTS

A. In accordance with section 304(e) of the CWA and 40 CFR 122.44(k), the permittee shall develop and implement appropriate pollution prevention measures or Best Management Practices ("BMPs") designed to control site runoff, spillage or leaks, sludge or waste disposal, and drainage from raw material storage which are associated with or ancillary to the maintenance, transportation, and storage of petroleum products or other potential pollutants at the facility that may contribute significant amounts of such pollutants to surface waters. The permittee shall develop (or update) and implement a Pollution Prevention Plan (the "Plan") that describes the pollution prevention measures or BMPs that specifically apply to the facility.

B. The Plan must identify the potential sources of pollution which may reasonably be expected to affect the quality of the effluent discharges from the facility; describe and ensure implementation practices which will be used to reduce the pollutants in effluent discharges from the facility; and assure compliance with the terms and conditions of this permit. The Plan must be submitted to EPA and Guam EPA for approval within 30 days and implemented within 90 days of the effective date of this permit. The Plan requirements are based on EPA's *Proposed Reissuance of National Pollutant Discharge Elimination System (NPDES) Storm Water Multi-Sector General Permit for Industrial Activities: Notice*, dated December 1, 2005 (Federal Register, Vol. 70, No. 230), and on the circumstances of the facility.

C. The Plan shall include the following contents:

1. the identification of a pollution prevention committee (with name of each individual member) or individual(s) (by name or title) within the facility organization responsible for developing, implementing and maintaining the Plan.

2. a description of the facility that includes:

   a. a description of the nature of the industrial activity(ies) at the facility;

   b. a general location map (e.g., USGS quadrangle, or other map) with enough detail to identify the location of the facility and the receiving waters within one mile of the facility; and

   c. a drainage site map identifying the directions (using arrows) of storm water and non-storm water flow; location of areas where storm water and non-storm water co-mingle, if applicable; locations of all existing structural BMPs and all surface water bodies; locations of potential pollutant sources and locations of significant materials and activities (e.g., fueling stations, vehicle and equipment cleaning areas, loading/unloading areas, locations used for treatment, storage and disposal of wastes, processing and storage areas, liquid storage tanks, location of transfer of substance in bulk, etc.) that exposed to precipitation; and locations of storm water outfalls.

3. the name of the nearest receiving water(s) that receives or may receive effluent discharges from the facility.

4. a summary of potential pollutant sources that includes: a description of each separate area of the facility where industrial materials or activities that generate non-storm water effluent and those that are exposed to storm water (e.g., on-site waste storage or disposal, dirt/gravel parking areas for vehicles for vehicles awaiting maintenance, fueling areas, bulk storage areas); and a list of associate pollutant(s) or parameters (e.g., pH, BOD, etc.) for each material or activity.

5. a description of existing and planned BMPs for storm water and non-storm water controls; the Plan shall describe the type and location of existing non-structural and structural BMPs selected for each of the areas where industrial materials or activities are exposed to storm water or generate non-storm water; selection of BMPs should take into consideration the quantity and nature of the pollutants, and their potential to impact the water quality of the receiving water, non-structural and structural BMPs must include, but are not limited to the following:

    a. good housekeeping: the permittee must keep all exposed areas of the facility in a clean, orderly manner where such exposed areas could contribute pollutants to storm water and non-storm water discharges;

        i. vehicle and equipment storage areas must be regularly inspected and cleaned for spills and leaks (including storm inlets); and have spill response equipment (e.g., drip pans, sorbent pads) to respond immediately to spills or leaks;

        ii. vehicle and equipment fueling areas must have measures that prevent or minimize contamination of storm water runoff from these areas such as covering the fueling area, using spill/overflow protection and cleanup equipment, using proper cleaning methods instead of hosing down area, minimizing runon/runoff to fueling areas, and treating and/or recycling collected storm water and non-storm water runoff;

        iii. material storage areas with storage vessels (e.g., for used oil/oil filters, cleaning solvents, hydraulic fluids, petroleum and oil-related products) must be maintained to prevent contamination of storm water; examples include storing the materials indoors and installing berms/dikes around area(s); these areas shall have proper storage of all fluids, including greases, used oil, cleaning solvents, hydraulic and transmission fluids, in accordance with local and federal laws;

        iv. vehicle and equipment (e.g., tank, fuel lines) cleaning areas must have measures that prevent or minimize contamination of storm water runoff from all areas used for vehicle and equipment cleaning; these areas should have appropriate containment and/or diversionary structures or equipment to ensure wash water is discharge to the sanitary sewer or is filtered and recycled where feasible; and

        v. vehicle and equipment maintenance areas must have measures that prevent or minimize contamination of storm water runoff from all areas used for vehicle and equipment maintenance such as performing maintenance activities indoor; using drip pans, and treating and/or recycling storm water and non-storm water runoff.

    b. minimizing exposure: where practicable, industrial materials and activities should be protected to prevent exposure to rain or runoff.

c. preventive maintenance: the Plan must describe the facility's preventive maintenance program that includes timely inspections and maintenance of storm water and non-storm water management devices, (e.g., cleaning oil/water separators) as well as inspecting, testing, maintaining and repairing facility equipment and systems to avoid breakdowns or failures that may result in discharges of pollutants to surface waters; all BMPs listed in the Plan must be maintained in effective operating condition to control source runoff.

d. spill prevention and response procedures: the permittee is required to develop and implement a Spill Prevention, Control and Countermeasure Plan in accordance with 40 CFR 112; the Plan must describe the procedures that will be followed for cleaning up spills or leaks and for disposal of oil and hazardous waste; measures for cleaning up spills or leaks and disposal of such materials must be consistent with applicable RCRA regulations at 40 CFR 264 and 265 and CWA regulations at 40 CFR 112.

e. routine facility inspections: the Plan must have qualified personnel inspect all areas of the facility where industrial materials or activities are exposed to storm water and non-storm water (i.e., storage areas for vehicles/equipment awaiting maintenance, fueling areas, vehicle/equipment maintenance areas, material storage areas, line-flushing area, vehicle/equipment cleaning areas, and loading/unloading area, location(s) of oil/water separators, storm drains, etc.); inspections must include an evaluation of existing BMPs; the Plan must identify how often the inspections are to occur.

f. employee training: the Plan must describe the storm water and non-storm water training program for the facility; topics should include spill response, good housekeeping and material management practices, proper fueling practices, proper painting or sandblasting procedures for the removal of paint, and must identify periodic dates for such training; training must be provided to all employees that operate in areas where industrial materials or activities generate non-storm water or are exposed to storm water; employee training shall occur at least once per year.

g. sediment and erosion control: the Plan must identify the areas of the facility that have a potential for significant soil erosion; and the Plan must describe the structural, vegetative, and/or stabilization BMPs that are or will be implemented to limit erosion.

h. management of runoff: the Plan must describe the traditional storm water and non-storm water management practices (permanent structural BMPs other than those which control the generation or source(s) of pollutants) that currently exist or that are planned for the facility; these BMPs typically are used to divert, infiltrate, reuse, or otherwise reduce pollutants in storm water or non-storm water discharges from the site; examples include oil/water separators and retention basins.

6. a copy of this permit.

D. The Plan must have management approval and be maintained and amended whenever there is a change in design, construction, operation, or maintenance of the facility which has a significant effect on the discharge, or potential for discharge, of pollutants from the facility.

E. The Plan must be maintained and amended whenever there is indication of pollutants in the effluent discharge that may impact water quality standards; indication of pollutants requires the permittee to evaluate potential pollutant sources and corresponding BMPs and make appropriate Plan revisions; the permittee shall implement timely corrective actions and revise BMPs, as necessary.

F. The Plan must be retained on-site and be made available, upon request, for review at the time of an EPA or Guam EPA inspection.

PART V - PERMIT REOPENOR

This permit may be modified by EPA in accordance with the requirements set forth in 40 CFR 122 and 124 and section 5104.A.9 of Guam water quality standards to include conditions or limitations to address exceedances of Guam water quality standards based on newly available information. In response to EPA's request on March 8, 2006, the permittee will be submitting wet weather effluent data on BOD, COD, TOC, TSS, ammonia, temperature, and pH for consideration in the permit renewal process. Due to dry weather conditions, the permittee has been unable to collect this information prior to public notice of the draft permit. Upon receipt of this new information, EPA will either consider it as part of the permit renewal process, or reopen and revise the final permit as provided under 40 CFR 122.62.

PART VI - STANDARD PERMIT CONDITIONS

This permit requires the permittee to comply with the attached EPA Region IX *Standard Federal NPDES Permit Conditions,* dated July 1, 2001.

PART VII - DEFINITIONS

A. “Best Management Practices” or “BMPs” are schedules of activities, prohibitions of practices, maintenance procedures, and other physical, structural, and/or managerial practices to prevent or reduce the pollution of waters of the U.S. BMPs include treatment systems, operating procedures, and practices to control: plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage. BMPs may further be characterized as operational, source control, erosion and sediment control, and treatment BMPs.

B. A “composite” sample means a time-proportioned mixture of not less than eight discrete aliquots obtained at equal time intervals (e.g., 24-hour composite means a minimum of

eight samples collected every three hours). The volume of each aliquot shall be directly proportional to the discharge flow rate at the time of sampling, but not less than 100 ml. Sample collection, preservation, and handling shall be performed as described in the most recent edition of 40 CFR 136.3, Table II. Where collection, preservation, and handling procedures are not outlined in 40 CFR 136.3, procedures outlined in the 18th edition of *Standard Methods for the Examination of Water and Wastewater* shall be used.

D. A "daily discharge" means the "discharge of a pollutant" measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the day.

E. A "daily maximum allowable effluent limitation" means the highest allowable "daily discharge."

F. A "DMR" is a "Discharge Monitoring Report" that is an EPA uniform national form, including any subsequent additions, revisions, or modifications for reporting of self-monitoring results by the permittee.

G. A "grab" sample is a single sample collected at a particular time and place that represents the composition of the discharge only at that time and place. Sample collection, preservation, and handling shall be performed as described in the most recent edition of 40 CFR 136.3, Table II. Where collection, preservation, and handling procedures are not outlined in 40 CFR 136.3, procedures outlined in the 18th edition of *Standard Methods for the Examination of Water and Wastewater* shall be used.

H. The "method detection limit" or "MDL" is the minimum concentration of an analyte that can be detected with 99% confidence that the analyte concentration is greater than zero, as defined by a specific laboratory method in 40 CFR 136. The procedure for determination of a laboratory MDL is in 40 CFR 136, Appendix B.

I. The "minimum level" or "ML" is the concentration at which the entire analytical system must give a recognizable signal and acceptable calibration point. The ML is the concentration in a sample that is equivalent to the concentration of the lowest calibration standard analyzed in a specific analytical procedure, assuming that all the method-specific sample weights, volumes, and processing steps have been followed (as defined in EPA's draft *National Guidance for the Permitting, Monitoring, and Enforcement of Water Quality-Based Effluent Limitations Set Below Analytical Detection/Quantitative Levels*, March 22, 1994). If a published method-specific ML is not available, then an interim ML shall be calculated. The interim ML is equal to 3.18 times the published method-specific MDL rounded to the nearest multiple of 1, 2, 5, 10, 20, 50, etc. (When neither an ML nor MDL are available under 40 CFR 136, an interim ML should be calculated by multiplying the best estimate of detection by a factor of 3.18; when a range of detection is given, the lower end value of the range of detection should be used to

calculate the ML.) At this point in the calculation, a different procedure is used for metals, than non-metals:

1. For metals, due to laboratory calibration practices, calculated MLs may be rounded to the nearest whole number.

2. For non-metals, because analytical instruments are generally calibrated using the ML as the lowest calibration standard, the calculated ML is then rounded to the nearest multiple of (1, 2, or 5) x 10n, where n is zero or an integer. (For example, if an MDL is 2.5 ug/l, then the calculated ML is: 2.5 ug/l x 3.18 = 7.95 ug/l. The multiple of (1, 2, or 5) x 10n nearest to 7.95 is 1 x 101 = 10 ug/l, so the calculated ML, rounded to the nearest whole number, is 10 ug/l.)

J. A "NODI(B)" means that the concentration of the pollutant in a sample is not detected. NODI(B) is reported when a sample result is less than the laboratory's MDL.

K. A "NODI(Q)" means that the concentration of the pollutant in a sample is detected but not quantified. NODI(Q) is reported when a sample result is greater than or equal to the laboratory's MDL, but less than the ML.